

House File 655 - Introduced

HOUSE FILE 655

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 300)

(SUCCESSOR TO HSB 56)

A BILL FOR

1 An Act relating to the assessment of certain subdivided real
2 property and including effective date and retroactive
3 applicability and other applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 405.1, Code 2011, is amended to read as
2 follows:

3 **405.1 Housing development — tax status — limitation.**

4 ~~1.~~ The board of supervisors of a county ~~with a population~~
5 ~~of less than twenty thousand~~ may adopt an ordinance providing
6 that property acquired and subdivided for development of
7 housing shall continue to be assessed for taxation in the
8 manner that it was prior to the acquisition for housing. Each
9 lot shall continue to be taxed in the manner it was prior
10 to its acquisition for housing until the lot is ~~sold for~~
11 ~~construction or occupancy of housing or five years from the~~
12 ~~date of subdivision, whichever is shorter.~~ Upon the sale or
13 ~~the expiration of the five-year period, the property shall be~~
14 ~~assessed for taxation as residential or commercial multifamily~~
15 ~~property, whichever is applicable~~ actually improved with a
16 residential structure.

17 ~~2.~~ The board of supervisors of a county ~~with a population~~
18 ~~of twenty thousand or more~~ may adopt an ordinance providing
19 that property acquired and subdivided for development of
20 housing shall continue to be assessed for taxation in the
21 manner that it was prior to the acquisition for housing. Each
22 lot shall continue to be taxed in the manner it was prior
23 to its acquisition for housing until the lot is sold for
24 construction or occupancy of housing or three years from the
25 date of subdivision, whichever is shorter. Upon the sale or
26 the expiration of the three-year period, the property shall be
27 assessed for taxation as residential or commercial multifamily
28 property, whichever is applicable.

29 Sec. 2. Section 441.72, Code 2011, is amended to read as
30 follows:

31 **441.72 Assessment of platted lots.**

32 When a subdivision plat is recorded pursuant to chapter
33 354, the individual lots within the subdivision plat shall
34 not be assessed in excess of the total assessment of the
35 land as acreage or unimproved property ~~for three years after~~

1 ~~the recording of the plat or~~ until the lot is actually
2 improved with a permanent construction, whichever occurs first
3 structure. When an individual lot has been improved with a
4 permanent construction residential, industrial, or commercial
5 structure, the lot shall be assessed for taxation purposes as
6 provided in chapter 428 and this chapter. This section does
7 not apply to special assessment levies.

8 Sec. 3. EFFECTIVE UPON ENACTMENT AND APPLICABILITY. This
9 Act, being deemed of immediate importance, takes effect upon
10 enactment, applies to subdivision plats recorded on or after
11 January 1, 2004, and applies retroactively to assessment years
12 beginning on or after January 1, 2011.

13 EXPLANATION

14 Currently, a platted lot for which a subdivision plat has
15 been recorded will be assessed for property tax purposes as
16 acreage or unimproved property for three years or until the lot
17 is actually improved with permanent construction, whichever
18 occurs first. This bill removes the three-year time limit and
19 provides that a platted lot will be assessed as acreage or
20 unimproved property until the lot is actually improved with a
21 permanent residential, industrial, or commercial structure.

22 The bill also repeals a provision that allowed a county of
23 20,000 or more to adopt an ordinance providing for assessment
24 of subdivided lots acquired for development of housing in
25 the manner they were assessed prior to acquisition for three
26 years from the date of subdivision or until the lot is sold
27 for construction or occupancy of housing, whichever is sooner.
28 The bill also amends a similar provision that allowed counties
29 with a population of less than 20,000 to adopt the same
30 ordinance but with a five-year assessment period, by removing
31 the five-year time limit and the population limitation and
32 providing that such an ordinance may allow each lot to be taxed
33 in the manner it was prior to its acquisition until the lot is
34 actually improved with a residential structure.

35 The bill applies to subdivision plats recorded on or after

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1 January 1, 2004, and applies retroactively to assessment years
2 beginning on or after January 1, 2011.